

LONG BEACH UNIFIED SCHOOL DISTRICT

Audit Report

STANDARDIZED TESTING AND REPORTING (STAR) PROGRAM

Chapter 828, Statutes of 1997

July 1, 2001, through June 30, 2004



JOHN CHIANG
California State Controller

November 2007



JOHN CHIANG
California State Controller

November 30, 2007

Christopher Steinhauser
Superintendent of Schools
Long Beach Unified School District
1515 Hughes Way
Long Beach, CA 90810

Dear Mr. Steinhauser:

The State Controller's Office audited the costs claimed by Long Beach Unified School District for the legislatively mandated Standardized Testing and Reporting (STAR) Program (Chapter 828, Statutes of 1997) for the period of July 1, 2001, through June 30, 2004.

The district claimed \$1,519,349 for the mandated program. Our audit disclosed that \$968,426 is allowable and \$550,923 is unallowable. The unallowable costs resulted from the district claiming costs that were ineligible for reimbursement under the mandated program or were unsupported. The State made no payment to the district. The State will pay allowable costs claimed that exceed the amount paid, totaling \$968,426, contingent upon available appropriations.

If you have any questions, please contact Jim L. Spano, Chief, Mandated Cost Audits Bureau, at (916) 323-5849.

Sincerely,

Original signed by

JEFFREY V. BROWNFIELD
Chief, Division of Audits

JVB/wm

cc: Darline P. Robles, Ph.D.

County Superintendent of Schools
Los Angeles County Office of Education

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Audit Report

Summary

The State Controller's Office (SCO) audited the costs claimed by Long Beach Unified School District for the legislatively mandated Standardized Testing and Reporting (STAR) Program (Chapter 828, Statutes of 1997) for the period of July 1, 2001, through June 30, 2004. The last day of fieldwork was October 12, 2007.

The district claimed \$1,519,349 for the mandated program. Our audit disclosed that \$968,426 is allowable and \$550,923 is unallowable. The unallowable costs resulted from the district claiming costs that were ineligible for reimbursement under the mandated program or were unsupported. The State made no payment to the district.

Background

Chapter 828, Statutes of 1997, amended Education Code sections 60607, 60609, 60615, and 60630, and added Education Code sections 60640 through 60641 and 60643. Chapter 828, Statutes of 1997, and the implementing regulations in the California Code of Regulations, Title 5, sections 850 through 904, established the Standardized Testing and Reporting (STAR) Program related to the achievement testing school districts must administer to pupils in the State.

The STAR Program requires school districts, between March 15 and May 15 of each year, to test all students in grades 2 through 11 with a nationally normed achievement test designated by the State Board of Education. School districts administered the Stanford Achievement Test, Ninth Edition (SAT-9) test in English to all pupils enrolled in grade 2 through 11 from fiscal year (FY) 1997-98 through FY 2001-02. The California Achievement Test, Sixth Edition Survey (CAT/6) replaced the SAT-9 test effective for FY 2002-03. School districts administered the CAT/6 test in English to all pupils enrolled in grade 2 through 11 for FY 2002-03 and FY 2003-04. In addition, school districts administered an additional test—the Spanish Assessment of Basic Education, Second Edition (SABE/2)—to every Spanish-speaking pupil of limited English proficiency who is enrolled in grades 2 through 11 if the pupil was initially enrolled in any public school in the State less than 12 months prior to the date that the English language SAT-9 test was given. School districts are also required to engage in numerous activities related to test administration and reporting.

On August 24, 2000, the Commission on State Mandates (CSM) determined that the legislation imposed a state mandate reimbursable under Government Code section 17561.

The program's parameters and guidelines establish the state mandate and define reimbursement criteria. CSM adopted the parameters and guidelines on January 24, 2002. In compliance with Government Code section 17558, the SCO issues claiming instructions, to assist local agencies and school districts in claiming mandated program reimbursable costs.

**Objective, Scope,
and Methodology**

We conducted the audit to determine whether costs claimed represent increased costs resulting from the Standardized Testing and Reporting (STAR) Program for the period of July 1, 2001, through June 30, 2004.

Our audit scope included, but was not limited to, determining whether costs claimed were supported by appropriate source documents, were not funded by another source, and were not unreasonable and/or excessive.

We conducted the audit according to *Government Auditing Standards*, issued by the Comptroller General of the United States, and under the authority of Government Code sections 12410, 17558.5, and 17561. We did not audit the district's financial statements. We limited our audit scope to planning and performing audit procedures necessary to obtain reasonable assurance that costs claimed were allowable for reimbursement. Accordingly, we examined transactions, on a test basis, to determine whether the costs claimed were supported.

We limited our review of the district's internal controls to gaining an understanding of the transaction flow and claim preparation process as necessary to develop appropriate auditing procedures.

Conclusion

Our audit disclosed instances of noncompliance with the requirements outlined above. These instances are described in the accompanying Summary of Program Costs (Schedule 1) and in the Findings and Recommendations section of this report.

For the audit period, Long Beach Unified School District claimed \$1,519,349 for costs of the Standardized Testing and Reporting (STAR) Program. Our audit disclosed that \$968,426 is allowable and \$550,923 is unallowable. The State paid the made no payments to the district. The State will pay allowable costs claimed that exceed the amount paid, totaling \$968,426, contingent upon available appropriations.

**Views of
Responsible
Officials**

We issued a draft audit report on November 9, 2007. Betty Ng, Financial Services Officer, responded by letter dated November 20, 2007 (Attachment), agreeing with the audit results except that the district addressed other issues that arose during the audit. These issues and our comments can be found at the end of the Findings and Recommendations section.

Restricted Use

This report is solely for the information and use of Long Beach Unified School District, the Los Angeles County Office of Education, the California Department of Education, the California Department of Finance, and the SCO; it is not intended to be and should not be used by anyone other than these specified parties. This restriction is not intended to limit distribution of this report, which is a matter of public record.

Original signed by

JEFFREY V. BROWNFIELD
Chief, Division of Audits

Schedule 1— Summary of Program Costs July 1, 2001, through June 30, 2004

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment	Reference ¹
<u>July 1, 2001, through June 30, 2002</u>				
Salaries and benefits:				
Training, policies, procedures	\$ —	\$ 21,226	\$ 21,226	Finding 1
Pretest/post-test coordination	751,196	310,932	(440,264)	Finding 1
Test administration	—	12,899	12,899	Finding 1
Reporting and recordkeeping	—	35,558	35,558	Finding 1
Total salaries and benefits	751,196	380,615	(370,581)	
Materials and supplies:				
Pretest/post-test coordination	—	1,168	1,168	Finding 2
Test administration	12,161	7,807	(4,354)	Finding 2
Reporting and recordkeeping	2,249	17,277	15,028	Finding 2
Total materials and supplies	14,410	26,252	11,842	
Total direct costs	765,606	406,867	(358,739)	
Total indirect costs	39,658	21,076	(18,582)	
Total direct and indirect costs	805,264	427,943	(377,321)	
Less mandate portion of STAR apportionments	(179,723)	(119,638)	60,085	Finding 3
Total program costs	\$ 625,541	308,305	\$ (317,236)	
Less amount paid by the State		—		
Allowable costs claimed in excess of (less than) amount paid		\$ 308,305		
<u>July 1, 2002, through June 30, 2003</u>				
Salaries and benefits:				
Training, policies, procedures	\$ 42	\$ 5,714	\$ 5,672	Finding 1
Pretest/post-test coordination	307,626	335,298	27,672	Finding 1
Test administration	120,694	16,669	(104,025)	Finding 1
Reporting and recordkeeping	42,546	50,873	8,327	Finding 1
Total salaries and benefits	470,908	408,554	(62,354)	
Materials and supplies:				
Training, policies, procedures	21,658	13,623	(8,035)	Finding 2
Test administration	1,539	968	(571)	Finding 2
Reporting and recordkeeping	3,067	18,082	15,015	Finding 2
Total materials and supplies	26,264	32,673	6,409	
Total direct costs	497,172	441,227	(55,945)	
Total indirect costs	25,052	21,735	(3,317)	
Total direct and indirect costs	522,224	462,962	(59,262)	
Less mandate portion of STAR apportionments	—	(116,663)	(116,663)	Finding 3
Total program costs	\$ 522,224	346,299	\$ (175,925)	
Less amount paid by the State		—		
Allowable costs claimed in excess of (less than) amount paid		\$ 346,299		

Schedule 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment	Reference ¹
<u>July 1, 2003, through June 30, 2004</u>				
Salaries and benefits:				
Training, policies, procedures	\$ —	\$ 5,062	\$ 5,062	Finding 1
Pretest/post-test coordination	388,569	308,827	(79,742)	Finding 1
Test administration	53,675	11,284	(42,391)	Finding 1
Reporting and recordkeeping	61,467	64,437	2,970	Finding 1
Total salaries and benefits	<u>503,711</u>	<u>389,610</u>	<u>(114,101)</u>	
Materials and supplies:				
Training, policies, procedures	2,399	197	(2,202)	Finding 2
Pretest/post-test coordination	—	782	782	Finding 2
Test administration	518	—	(518)	Finding 2
Reporting and recordkeeping	27,787	16,698	(11,089)	Finding 2
Total materials and supplies	<u>30,704</u>	<u>17,677</u>	<u>(13,027)</u>	
Total direct costs	534,415	407,287	(127,128)	
Total indirect costs	26,394	20,416	(5,978)	
Total direct and indirect costs	560,809	427,703	(133,106)	
Less mandate portion of STAR apportionments	<u>(189,225)</u>	<u>(113,881)</u>	<u>75,344</u>	Finding 3
Total program costs	<u>\$ 371,584</u>	<u>313,822</u>	<u>\$ (57,762)</u>	
Less amount paid by the State		—		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 313,822</u>		
<u>Summary: July 1, 2001, through June 30, 2004</u>				
Salaries and benefits:				
Training, policies, procedures	\$ 42	\$ 32,002	\$ 31,960	Finding 1
Pretest/post-test coordination	1,447,391	955,057	(492,334)	Finding 1
Test administration	174,369	40,852	(133,517)	Finding 1
Reporting and recordkeeping	104,013	150,868	46,855	Finding 1
Total salaries and benefits	<u>1,725,815</u>	<u>1,178,779</u>	<u>(547,036)</u>	
Materials and supplies:				
Training, policies, procedures	24,057	13,820	(10,237)	Finding 2
Pretest/post-test coordination	—	1,950	1,950	Finding 2
Test administration	14,218	8,775	(5,443)	Finding 2
Reporting and recordkeeping	33,103	52,057	18,954	Finding 2
Total materials and supplies	<u>71,378</u>	<u>76,602</u>	<u>5,224</u>	
Total direct costs	1,797,193	1,255,381	(541,812)	
Total indirect costs	91,104	63,227	(27,877)	
Total direct and indirect costs	1,888,297	1,318,608	(569,689)	
Less mandate portion of STAR apportionments	<u>(368,948)</u>	<u>(350,182)</u>	<u>18,766</u>	Finding 3
Total program costs	<u>\$1,519,349</u>	<u>968,426</u>	<u>\$ (550,923)</u>	
Less amount paid by the State		—		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 968,426</u>		

¹ See the Findings and Recommendations section.

Findings and Recommendations

FINDING 1— Unsupported salaries and benefits, and related indirect costs

The district claimed \$1,725,815 in salaries and benefits, and \$90,539 in indirect costs. We initially determined that all of the costs were inadequately supported. The district submitted declarations of time from individual school sites—ranging from 5 to 822 hours per individual activity—to support its reimbursement claims for mandated STAR activities. The district did not support the days worked or provide documentation to support the hours recorded on the declarations. Furthermore, the district made numerous errors in reporting the salaries and benefit rates on the filed claims.

We worked with the district to develop alternative methodologies with which to determine allowable salaries and benefits, and related indirect costs. We interviewed and observed a sample of STAR Program test-site coordinators performing pretest and post-test coordination activities at the school sites. We reviewed sign-in sheets for STAR training, time cards, payroll records, and signed board meeting minutes used to support mandated STAR activities performed at the district's administrative office and warehouse for pretest and post-test coordination, and reporting and recordkeeping. The district determined the percentage of the tests that related to the mandate (SAT-9, CAT/6, and SABE/2) based on published data reported on the California Department of Education's STAR Web site. The district also corrected the salary and benefit rates. Collectively, this information was used in developing standard time for STAR Program mandated activities and identifying reimbursable costs.

Based on the above methodologies, our audit determined that the district overstated salaries and benefits, and related indirect costs by \$575,527.

The following table summarizes the overstated claimed costs for salaries and benefits, and related indirect costs by reimbursable activity:

	Fiscal Year			
	2001-02	2002-03	2003-04	Total
Salaries and benefits:				
Training, policies, procedures	\$ 21,226	\$ 5,672	\$ 5,062	\$ 31,960
Pretest/post-test coordination	(440,264)	27,672	(79,742)	(492,334)
Test administration	12,899	(104,025)	(42,391)	(133,517)
Reporting and recordkeeping	35,558	8,327	2,970	46,855
Total direct costs	(370,581)	(62,354)	(114,101)	(547,036)
Indirect costs	(19,195)	(3,317)	(5,978)	(28,491)
Audit adjustment	<u>\$(389,776)</u>	<u>\$ (65,671)</u>	<u>\$(120,079)</u>	<u>\$(575,527)</u>

The program's parameters and guidelines, Section V.A(1), state:

Report each employee implementing the reimbursable activities by name, job classification, and productive hourly rate (total wages and related benefits divided by productive hours). Describe the specific reimbursable activities performed and the hours devoted to each reimbursable activity performed.

The parameters and guidelines, Section VI.A, state:

... all incurred costs claimed must be traceable to source documents that show evidence of the validity and relationship to the reimbursable activities. Documents may include, but are not limited to, worksheets, employee time records or time logs, cost allocation reports (system generated), invoices, receipts, purchase orders, contracts, agendas, training packets with signatures and logs of attendees, calendars, declarations, and data relevant to the reimbursable activities. . . .

Recommendation

We recommend that the district ensure that all cost claimed are applicable to the mandated program and reimbursable under the program's parameters and guidelines, and that the costs are properly supported with source documents.

District's Response

The district concurs with the finding.

FINDING 2— Misstated materials and supplies, and related indirect costs

The district claimed \$71,378 in materials and supplies, and \$746 in indirect costs for the audit period. Many of the costs claimed were either overstated or unsupported. In addition, the district did not claim all reimbursable costs related to the mandate. Our audit determined that claimed costs were understated by \$5,837 for the reasons noted below.

For FY 2001-02, the district:

- Overstated claimed costs by \$5,008 because it claimed the entire cost of the STAR Program, rather than the mandated portion only.
- Claimed unsupported reporting and recordkeeping costs of \$421.
- Did not claim \$1,168 in pretest/post-test costs related to flat-bed truck rentals to transport the test materials to the various test sites.
- Did not claim \$16,103 in reporting and recordkeeping costs related to mailing student test results.

For FY 2002-03, the district:

- Overstated claimed costs by \$22,561 because it claimed the entire cost of the STAR Program, rather than the mandated portion only.
- Did not claim \$16,152 in reporting and recordkeeping costs related to mailing student test results.

For FY 2003-04, the district:

- Overstated claimed costs by \$14,033 primarily because it claimed the entire cost of the STAR Program, rather than the mandated portion only. In some instances, the district was not able to support the amount claimed.
- Did not claim \$782 in pretest/post-test costs related to the transportation of test materials to the various test sites.
- Did not claim \$224 in reporting and recordkeeping costs related to informative brochures.

The following table summarizes the net understatement for materials and supplies, and related indirect costs by reimbursable activities:

	Fiscal Year			Total
	2001-02	2002-03	2003-04	
Materials and supplies:				
Training, policies, procedures	\$ —	\$ (8,035)	\$ (2,202)	\$ (10,237)
Pretest/post-test coordination	1,168	—	782	1,950
Test administration	(4,354)	(571)	(518)	(5,443)
Reporting and recordkeeping	15,028	15,015	(11,089)	18,954
Total direct costs	11,842	6,409	(13,027)	5,224
Indirect costs	613	—	—	613
Audit adjustment	\$ 12,455	\$ 6,409	\$ (13,027)	\$ 5,837

The parameters and guidelines, Section IV.E, state:

The cost of materials and supplies used for reporting (including paper and envelopes), the cost of postage for mailing reports to parents, and the cost of computer programming used for reporting purposes is reimbursable under this activity.

The parameters and guidelines, Section V.A.(2), state:

Report the cost of materials and supplies that have been consumed or expended for the purpose of the reimbursable activities.

Recommendation

We recommend that the district ensure that all costs related to the mandated program are properly reported and supported with source documents.

District's Response

The district concurs with the finding.

FINDING 3— Misstated reimbursements

The district overstated STAR reimbursements on the claim by \$18,766 for the audit period. For FY 2001-02 and FY 2003-04, the district overstated the reimbursements by \$135,429 because it deducted all of the STAR apportionments, rather than the mandated portion only. For FY 2002-03, the district did not deduct any of the STAR apportionments on the claim.

The following table summarizes the net overstatement of STAR apportionments deducted from claimed costs:

	Fiscal Year			Total
	2001-02	2002-03	2003-04	
Reimbursements	\$ 60,085	\$(116,663)	\$ 75,344	\$ 18,766

The parameters and guidelines, Section VII, state:

Any offsetting savings the claimant experiences in the same program as a result of the same statutes or executive orders found to contain the mandate shall be deducted from the costs claimed. In addition, reimbursement for this mandate received from any source, including but not limited to, service fees collected, federal funds and other state funds shall be identified and deducted from the claim.

Recommendation

We recommend that the district deduct any federal and state funds related to the mandate from the claimed costs.

District's Response

The district concurs with the finding.

OTHER ISSUES

In responding to the draft audit report, the district stated that, although it had no significant material challenges to the findings, it would like to address a few issues that arose during the audit.

ISSUE 1—Scope of the mandate

The district stated that the California Department of Education's (CDE) correspondence to school districts regarding their STAR apportionments, training, test administration, and reporting identifies the CTS, CAT/6, CAPA, and SABE/2 as assessments that all fall under the STAR Program. The Commission on State Mandates (CSM) stated in its August 2000 statement of decision that the administration of the STAR Program tests to all pupils in grades 2 through 11 inclusive were eligible for reimbursement. The district takes no exception with the finding that, as filed, the claimed activities were beyond the scope of the mandate. It was in light of this that we worked with the district in determining an acceptable methodology that excluded activities outside the scope of the mandate, yet allowed the district its rightful reimbursement.

SCO's Comment

CSM and CDE used the same terminology—"STAR"—to identify testing assessments at school districts, even though CSM and CDE defined the STAR Program differently. The STAR Program's parameters and guidelines, adopted by CSM, limited reimbursable activities to two testing assessments: Stanford 9 (replaced by CAT/6) and SABE/2. We audited to the program's parameters and guidelines. CSM appropriately renamed the mandate "Norm Referenced Achievement Test (NRAT)" in December 2005.

ISSUE 2—Documentation

The district stated that it is not true to say that all costs were inadequately supported. The district submitted logs for individual hours that were supported by timesheets detailing the date and time spent on the reimbursable activity.

SCO's Comment

The district initially submitted its claims for payment supported only by its consultant's log for individual hours aggregating time spent on reimbursable activity (declarations). Due to the initial determination of inadequate support, the auditors asked for and were provided with the following contemporaneous records in Spring 2007:

- Sign-in sheets for training of site coordinators at the district
- Approved timecards and payroll records of district and test site personnel
- Approved minutes of board meetings when STAR test results were reported
- Number of tested students per test site per type of assessment per year from CDE records

ISSUE 3—Training

The district stated it is extremely difficult to administer the test successfully with only one training session with no provision for subsequent training for updates or changes. The district acknowledges this may be an issue better left with the CSM. However, the district believes that the SCO adopted a narrow interpretation of "one-time only training" language in disallowing training costs from year to year.

SCO's Comment

The STAR Program's parameters and guidelines specifically identify required activities and reimbursable costs. For training, the parameters and guidelines clearly state that reimbursement is limited to a one-time activity per employee per test site.

**Attachment—
District's Response to
Draft Audit Report**



Long Beach Unified School District
Business Department – Financial Services
1515 Hughes Way, Long Beach, CA 90810
(562) 997-8191 * Fax (562) 997-8284

November 20, 2007

Jim L. Spano, CPA
Chief, Compliance Audits Bureau
Division of Audits
State Controllers Office
P.O. Box 942850
Sacramento, CA 94250-5874

SUBJECT: Long Beach Unified School District
Standardized Testing and Reporting (STAR) Program
Audit of Annual Mandate Reimbursement Claim
Fiscal Years 2001/02 thru 2003/04

This letter is written in response to the draft audit report issued by the State Controllers Office (SCO) with regard to costs claimed by Long Beach Unified School District (District) for the legislatively mandated Standardized Testing and Reporting (STAR) Program (Chapter 828, Statutes of 1977) for the period of July 1, 2001 through June 30, 2004. The District extends its sincere appreciation to the SCO staff for their professionalism throughout this audit. Specifically the District wants to thank Dr. Deanna Skolfield (Audit Manager), Joji Tyree (Auditor), and the remaining audit team for their effort and dedication in working with the District.

Although the District has no significant material challenges to the findings, we would like to take this opportunity to address a few issues that arose during this audit. Please note that the District reserves the right to raise other issues as necessary, in subsequent proceedings related to the SCO's audit of these claims.

Scope of the Mandate

The Statement of Decision adopted by the Commission on State Mandates (Commission) in August 2000 concluded that the "administration of the STAR Program tests to all pupils in grades 2 through 11, inclusive" were to be eligible for reimbursement. As noted by Dr. Skolfield in the October 12 exit conference, one may be led to assume that all tests, and related activities, conducted under the umbrella of the "STAR Program" to be eligible for reimbursement.

There are facts supporting this assumption. The California Department of Education (CDE), in its correspondence to school districts regarding their STAR apportionments, training, test administration, and reporting, identifies the California Standards Tests (CSTs), California Achievement Test, Sixth Edition Survey (CAT/6 Survey), California Alternate Performance Assessment (CAPA) and Spanish Assessment of Basic Education, Second Edition (SABE/2) as assessments that all fall under the "STAR Program." Based on this CDE direction, it is reasonable to assume that school districts would consider all of the assessments to comprise the "STAR Program."

An amendment of the Parameters and Guidelines (P's & G's) by the Commission in December 2005 narrowed the scope of the reimbursable activities to only those associated with the administration of the CAT/6 test to grade levels three and seven. The District takes no exception with the finding that as filed, the claimed activities were beyond the scope of the mandate as they are now understood. However, it stresses that those activities were related to

Jim L. Spano, CPA
November 20, 2007
Page 2 of 3

costs for administration of tests widely recognized and defined as included in the STAR testing program, and that a reasonable person would conclude those costs to be allowable. It was in light of this that the SCO audit team and District worked together in determining an acceptable methodology that would exclude activities outside the scope of the mandate yet allow the district its rightful reimbursement.

Documentation

As noted in the audit report (Finding 1, page 6), the SCO "initially determined that all of the costs were inadequately supported. The district submitted declarations of time from individual school sites – ranging from 5 to 822 hours per individual activity – to support its reimbursement claims for mandated STAR activities. The district did not support the days worked or provide documentation to support the hours recorded on the declarations."

While this is in part an accurate statement, it is not true to say "all costs were inadequately supported." The District submitted logs for individual hours that were supported by timesheets detailing the date and time spent on the reimbursable activity. Although the District regrets that not all documentation met the standard the SCO was seeking, it does believe that the documents by in large met the standard as described by the P's & G's. Any difference between the two can be attributed to differences in interpretation of the P's & G's by the SCO and the District. Additionally, at the time these claims were filed documentation standards were less clearly defined than they are presently. Today, claimants are more informed due to ongoing efforts by the SCO to educate claimants on those standards as well as the SCO's efforts to determine those standards.

Training

The Commission's Statement of Decision states that the "training and review of the STAR Program requirements as outlined in the test claim legislation and regulations by school district staff" impose a reimbursable state mandate upon school districts. Further, Commission language states "the claimant points out in a January 10, 2002, letter that since tests are conducted differently at each site, an employee will need additional training if he or she transfers to another school. Therefore, staff clarified that training to review the requirements of the STAR program on a one-time basis, per employee, per test site is reimbursable. Multiple training for the same person who remains at the same school is not reimbursable. Staff, therefore, retained the claimant's language regarding reimbursement for reviewing the requirements and conducting or attending training, but deleted the language that allowed for training on successor testing programs selected by the SBE. A new test claim may be filed if the SBE selects a new testing program to succeed the STAR program."

The training costs claimed by the District in comparison to pretest/post-test coordination and test administration were minimal. However, the District does take exception with the SCO's narrow interpretation of "one-time only" training. SCO believes districts are only mandated to train their site test coordinators once per test. Subsequent versions/updates of the same test in the following years do not require training per the SCO.

It is extremely difficult for school districts to administer the tests successfully with only one training session and that no subsequent training may be provided for updates or changes. Please note that the CDE includes among the responsibilities of the test site coordinator, "training all test examiners, proctors, and scribes for administering the tests" without making mention that those employees trained once before do not need to be trained again. The District acknowledges this may be an issue better left with the Commission; however, it does believe that the SCO has adopted a narrow interpretation of this language in disallowing training costs from year to year.

Jim L. Spano, CPA
November 20, 2007
Page 3 of 3

The District wishes to thank the SCO for this opportunity to respond to the audit findings and hopes to maintain a continual partnership for the public education of California students.

If you have any questions, please feel free to contact me at (562) 997-8191.

Sincerely,

A handwritten signature in black ink, appearing to read 'Betty Ng', is written over a horizontal line.

Betty Ng
Financial Services Officer

cc: Susan Ginder
James Gulek
Susan Livesay
Rosemary Perry
Kim Stallings
Sherry Thorpe

**State Controller's Office
Division of Audits
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<http://www.sco.ca.gov>